

BEFORE
THE PUBLIC SERVICE COMMISSION OF
SOUTH CAROLINA
DOCKET NO. 2005-125-G - ORDER NO. 2008-701
OCTOBER 14, 2008

IN RE: Notice of Election of Piedmont Natural Gas)	INITIAL ORDER ON
Company, Inc. for Application of the Natural)	APPLICATION OF THE
Gas Rate Stabilization Act to its Rates and)	NATURAL GAS RATE
Charges.)	STABILIZATION ACT
)	AND ORDER ADOPTING
)	SETTLEMENT
)	AGREEMENT

I. INTRODUCTION

This matter comes before the Public Service Commission of South Carolina (the Commission) pursuant to S.C. Code Ann. Section 58-5-455, a portion of the Natural Gas Rate Stabilization Act, as related to Piedmont Natural Gas Company, Inc. (Piedmont or the Company). Order No. 2005-491 established a baseline for the Company under the Act, based on the Company's last rate case. See Order No. 2002-761. Section 58-5-455 sets out a procedure for the handling of monitoring reports under the Act related to the quarter ending March 31, which we detailed in Order No. 2005-491 at 5.

Briefly, under Section 58-5-455 the Company files the monitoring reports with the Commission and the Office of Regulatory Staff (ORS). Parties may comment on the reports. Where it appears to the Commission or ORS that an adjustment in rates may be warranted, ORS shall conduct an audit of the monitoring report and specify any changes that it determines are necessary to correct errors in the report or to otherwise bring the

report into compliance with the statute. Parties may comment on the ORS audit. On or before October 15, the Commission shall issue an initial order setting forth any changes required in the utility's request to adjust rates under the statute. Any gas rate adjustments authorized under the terms of the statute shall take effect for all bills rendered on or after the first billing cycle of November of that year. This present order is the "initial order" contemplated by S.C. Code Ann. Section 58-5-455 for Piedmont.

Pursuant to the South Carolina Natural Gas Rate Stabilization Act ("Act"), Piedmont submitted its quarterly monitoring report for the twelve-month period ending March 31, 2008, as well as the required revenue deficiency calculations and proposed changes to its tariff rates necessary to permit Piedmont the opportunity to earn the rate of return on common equity established in its last general rate case as specified in Section 58-5-420(1).

The ORS conducted a review of Piedmont Natural Gas Company, Inc.'s Monitoring Report for the twelve-month period ending March 31, 2008, to evaluate compliance with Section 58-5-430 and Section 58-5-440 of the Act. The ORS proposed certain adjustments to reported amounts to bring the report into conformance with those sections. Piedmont filed written comments advising the Commission that Piedmont had no objection to or comments on the findings and adjustments reflected in the ORS Audit Report. No written comments from other parties were received.

Subsequently, a Settlement Agreement was reached by and among Piedmont, ORS, and the South Carolina Energy Users Committee (SCEUC) (collectively, the Parties). The Settlement Agreement, plus exhibits, are attached hereto as Order Exhibit 1.

Under the terms of the Settlement Agreement, Piedmont will implement rates for the twelve-month period beginning with the first billing cycle of November 2008, calculated on the basis of an 11.2% return on equity (ROE). The Parties agree that Piedmont will adopt the accounting adjustments of ORS as set forth in Schedule 2 attached to the Settlement Agreement. The Parties further agree that, based upon the accounting adjustments proposed by ORS and adopted by Piedmont, and the agreement of Piedmont to implement rates based upon an 11.2% ROE, South Carolina ratepayers will realize a reduction in current margin rates of \$(1,530,000). The Parties further agree to an adjustment for Demand Cost Under-Recovery of \$3,352,717.

We have examined the accounting and pro forma adjustments proposed and agreed upon by the parties, as well as the Settlement Agreement, and we take no exception to them.

II. FINDINGS AND CONCLUSIONS

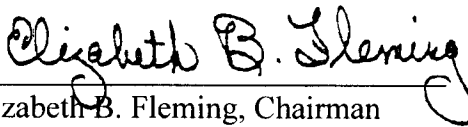
1. S.C. Code Ann. Section 58-5-455, a portion of the Natural Gas Rate Stabilization Act, requires the filing of certain documents and the issuance of this Initial Order.
2. Changes are required to the Company's request to adjust rates.
3. ORS has suggested certain changes to which Piedmont does not object, as outlined above. Indeed, the parties have reached a Settlement Agreement.
4. This Commission has found no other changes appropriate or necessary other than those agreed to by the parties.

5. The Settlement Agreement is approved. This Commission adopts the changes and adjustments proposed by the parties and the resulting rates and charges. Said rates and charges are attached hereto as Order Exhibit 2.


6. The new approved rates and charges shall be effective for bills rendered on and after the first billing cycle in November 2008.

7. This Order shall remain in full force and effect until further Order of the Commission.

BY ORDER OF THE COMMISSION:


Elizabeth B. Fleming, Chairman

ATTEST:


John E. Howard, Vice Chairman

(SEAL)

BEFORE
THE PUBLIC SERVICE COMMISSION OF
SOUTH CAROLINA
DOCKET NO. 2005-125-G

IN RE:

Piedmont Natural Gas)	
Company's Application of the)	SETTLEMENT AGREEMENT
Natural Gas Rate Stabilization Act)	
To its Rates and Charges.)	

This Settlement Agreement is made by and among the Office of Regulatory Staff of South Carolina ("ORS"), South Carolina Energy Users Committee ("SCEUC"), and Piedmont Natural Gas Company, Inc. ("PNG") (collectively referred to as the "Parties" or sometimes individually as a "Party").

WHEREAS, by Public Service Commission of South Carolina ("Commission") Order Nos. 2005-491, dated September 28, 2005, and 2005-567, dated October 13, 2005, the Commission established a baseline for PNG under the Natural Gas Rate Stabilization Act (the "Act") and approved certain accounting adjustments proposed by ORS and PNG;

WHEREAS, pursuant to S.C. Code Ann. § 58-5-455 (Supp. 2007), PNG filed its Quarterly Monitoring Report and Proposed Rate Changes with the Commission on June 15, 2008 for the review period consisting of April 1, 2007 through March 31, 2008 ("Review Period");

WHEREAS, the Report of ORS' examination of PNG's Monitoring Report for the Twelve-Month Period Ending March 31, 2008, pursuant to the Act, was filed with the Commission on September 2, 2008;

WHEREAS, the Parties to this Settlement Agreement are the only parties of record in the above-captioned docket.

WHEREAS, the Parties have engaged in discussions to determine if a settlement of this proceeding would be in their best interest;

WHEREAS, following those discussions the Parties have each determined that their interests, and ORS has determined that the public interest, would be best served by settling the above-captioned case under the terms and conditions set forth below:

1. PNG will implement rates for the twelve-month period beginning with the first billing cycle of November 2008 calculated on the basis of an 11.2% ROE.
2. The Parties agree that the following are the only attachments to this Settlement Agreement: Schedule 1 (Net Operating Income and Rate of Return); Schedule 2 (Explanations of Accounting and Pro Forma Adjustments); and Schedule 3 (Average Weighted Cost of Capital).
3. The Parties agree that PNG will adopt the accounting adjustments of ORS as set forth in Schedule 2 as attached to this Settlement Agreement.
4. The Parties agree that, based upon the accounting adjustments proposed by ORS and adopted by PNG, and the agreement of PNG to implement rates based on an 11.2% ROE, South Carolina ratepayers will realize a reduction in current margin rates totaling (\$1,530,000).
5. The Parties agree to an adjustment for Demand Cost Under-Recovery of \$3,352,717.
6. The Parties agree to cooperate in good faith with one another in recommending to the Commission that this Settlement Agreement be accepted and approved by the Commission as a fair, reasonable and full resolution of the above-captioned proceeding. The Parties agree to use

reasonable efforts to defend and support any Commission order issued approving this Settlement Agreement and the terms and conditions contained herein.

7. The Parties agree that by signing this Settlement Agreement, it will not constrain, inhibit or impair their arguments or positions in future proceedings. Should the Commission decline to approve the agreement in its entirety, then any Party desiring to do so may withdraw from the Settlement Agreement without penalty.

8. This Settlement Agreement shall be interpreted according to South Carolina law.


9. Each Party acknowledges its consent and agreement to this Settlement Agreement by authorizing its counsel to affix his or her signature to this document where indicated below. Counsel's signature represents his or her representation that his or her client has authorized the execution of the agreement. Facsimile signatures and e-mail signatures shall be as effective as original signatures to bind any party. This document may be signed in counterparts, with the various signature pages combined with the body of the document constituting an original and provable copy of this Settlement Agreement.

September 2, 2008

[SIGNATURE PAGES FOLLOW]

WE AGREE:


Representing and binding the Office of Regulatory Staff



Jeffrey M. Nelson, Esquire
Shannon B. Hudson, Esquire
Office of Regulatory Staff
1441 Main Street, Suite 300
Columbia, SC 29201
Phone: (803) 737-0823
Fax: (803) 737-0895
Email: jnelson@regstaff.sc.gov
shudson@regstaff.sc.gov

WE AGREE:

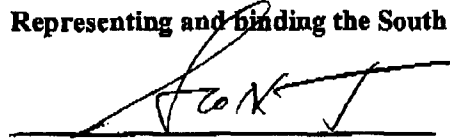
Representing and binding Piedmont Natural Gas Company, Inc.



James H. Jeffries, IV, Esquire
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100 North Tryon Street, Ste. 4700
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WE AGREE

Representing and binding the South Carolina Energy Users Committee



Scott Elliott, Esquire
Elliott & Elliott, P.A.
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Settlement Schedule 1

Piedmont Natural Gas Company
South Carolina Operations
Net Operating Income and Rate of Return
For the Twelve Months Ended March 31, 2008
Docket No. 2005-125-G

	(1) Per Regulatory Books	(2) ORS Accounting and Pro Forma Adjustments	(3) ORS As Adjusted	(4) Adjustments for Proposed Margin Decrease	(5) Adjustments for Demand Cost Under-Recovery	(6) Total After Proposed Rates
Operating Revenues						
1 Sale and Transportation of Gas	\$ 206,032,090	\$ 16,285,399	\$ 222,317,489	\$ (1,530,000)	\$ 3,352,717	\$ 224,140,206
2 Other Operating Revenues	1,008,185	0	1,008,185			1,008,185
3 Total Operating Revenues	207,040,275	16,285,399	223,325,674	(1,530,000)	3,352,717	225,148,391
Operating Expenses						
4 Cost of Gas	132,492,666	13,460,456	145,953,122		3,330,837	149,283,959
5 Operations and Maintenance	30,022,641	(718,242)	29,304,399	(2,828)	6,196	29,307,767
6 Depreciation	11,534,194	426,431	11,960,625			11,960,625
7 General Taxes	5,424,004	626,574	6,050,578	(7,157)	15,684	6,059,105
8 State Income Taxes	977,048	201,634	1,178,682	(76,000)		1,102,682
9 Federal Income Taxes	6,761,503	1,053,612	7,815,115	(505,405)		7,309,710
10 Amortization of Investment Tax Credits	(58,764)		(58,764)			(58,764)
11 Total Operating Expenses	187,153,292	15,050,465	202,203,757	(591,390)	3,352,717	204,965,084
12 Net Operating Income	19,886,983	1,234,934	21,121,917	(938,610)	0	20,183,307
13 Interest on Customers' Deposits	(130,485)		(130,485)			(130,485)
14 Amortization of Debt Redemption Premium	(14,673)	334	(14,339)			(14,339)
15 Allowance for Funds Used During Construction	222,677		222,677			222,677
16 Customer Growth	106,685	7,796	114,481	(5,087)		109,394
17 Net Operating Income for Return	\$ 20,071,187	\$ 1,243,064	\$ 21,314,251	\$ (943,697)	\$ 0	\$ 20,370,554
Original Cost Rate Base:						
18 Plant in Service	\$ 372,530,464	\$ (1,110,892)	\$ 371,419,572			\$ 371,419,572
19 Accumulated Depreciation	(139,772,389)		(139,772,389)			(139,772,389)
20 Net Plant in Service	232,758,075	(1,110,892)	231,647,183			231,647,183
Add:						
21 Construction Work in Progress	4,773,647		4,773,647			4,773,647
22 Materials and Supplies	21,049,170		21,049,170			21,049,170
23 Cash Working Capital	1,521,008	(126,581)	1,394,417			1,394,417
Deduct:						
24 Customers' Advances	0		0			0
25 Customers' Deposits	4,169,068		4,169,068			4,169,068
26 Accumulated Deferred Income Taxes	36,049,549		36,049,549			36,049,549
27 Unclaimed Funds	366,316		366,316			366,316
28 Original Cost Rate Base:	\$ 219,516,967	\$ (1,237,483)	\$ 218,279,484			\$ 218,279,484
29 Rate of Return	9.14%		9.76%			9.33%
30 Return on Equity	10.86%		11.96%			11.20%

Settlement Schedule 2

Piedmont Natural Gas Company
South Carolina Operations
Explanations of Accounting and Pro Forma Adjustments
Twelve Months Ended March 31, 2008
Docket No. 2005-125-G

Line No.	Description	Per Piedmont	Per ORS
1	<u>Operating Revenues - Sale and Transportation of Gas</u>		
	To increase revenues on a going-level basis.	\$ 16,285,399	\$ 16,285,399
	<u>Total Operating Revenues - Sale and Transportation of Gas</u>	\$ 16,285,399	\$ 16,285,399
2	<u>Cost of Gas</u>		
	To increase cost of gas on a going-level basis.	\$ 13,460,456	\$ 13,460,456
	<u>Total Cost of Gas</u>	\$ 13,460,456	\$ 13,460,456
3	<u>Operations and Maintenance Expenses</u>		
a.	To annualize the payroll expense as of March 31, 2008 and to disallow officer salary increases in conformance with PSC Order No. 2002-761, dated November 1, 2002.	\$ (373,143)	\$ (373,143)
b.	To increase expenses for the salary and payroll investment plan. The plan allows participants to defer a portion of their base salary and the Company matches a portion of the participant's contribution.	55,254	28,472
c.	Adjustment 3 c. not used by Company.		
d.	To adjust pension costs included in the filing.	(462,945)	(462,945)
e.	To adjust uncollectible gas cost expense utilizing the method recently approved in Docket No. 2006-4-G, Order No. 2006-527, dated October 11, 2006. This removes uncollectible gas cost expense from base rates and records the amount in account #253.04. The applicable uncollectible gas cost rate is .18482%.	(78,401)	(186,841)
f.	To decrease expenses for allocations to non-utility activities.	(26,086)	(26,124)
g.	To increase expenses for the Long-Term Incentive Plan.	318,194	319,692
h.	To adjust expenses for the Short-Term Incentive Plan.	6,691	(85,129)
i.	To decrease expenses for the MVP Incentive Plan.	(23,594)	(23,594)

Settlement Schedule 2

Piedmont Natural Gas Company
South Carolina Operations
Explanations of Accounting and Pro Forma Adjustments
Twelve Months Ended March 31, 2008
Docket No. 2005-125-G

Line No.	Description	Per Piedmont	Per ORS
j.	To increase expenses for group insurance as projected.	101,900	101,900
k.	To increase expenses for the Piedmont Town Center lease.	3,505	3,505
l.	To decrease expenses for the South Carolina assessment fee.	(8,660)	(7,338)
m.	To decrease expenses for items that are nonallowable for ratemaking purposes.	(137,655)	(137,655)
n.	To increase expenses for amortization of early retirement incentive.	149,759	151,230
o.	To increase expenses for IT projects	55,917	55,917
p.	To decrease expenses for nonallowable consulting fees	0	(76,189)
	<u>Total Operations and Maintenance Expense</u>	<u>\$ (419,264)</u>	<u>\$ (718,242)</u>
4	<u>Depreciation Expense</u>		
	To increase depreciation expense on a going-level basis using recently completed depreciation study rates.	\$ 491,751	\$ 426,431
	<u>Total Depreciation Expense</u>	<u>\$ 491,751</u>	<u>\$ 426,431</u>
5	<u>General Taxes</u>		
a.	To increase property taxes on a going-level basis.	\$ 643,372	\$ 643,372
b.	To adjust payroll tax expense.	(92,824)	(92,979)
c.	To increase franchise taxes (rate of .3%) and gross receipts tax (rate of .16779%) for the adjustment made to increase revenues on a going-level basis.	0	76,181
	<u>Total General Taxes</u>	<u>\$ 550,548</u>	<u>\$ 626,574</u>
6	<u>State Income Taxes</u>		
	To adjust state income taxes (rate of 5%) to reflect the impact on income of accounting and pro forma adjustments.	\$ 190,975	\$ 201,634
	<u>Total State Income Taxes</u>	<u>\$ 190,975</u>	<u>\$ 201,634</u>

Settlement Schedule 2

Piedmont Natural Gas Company
South Carolina Operations
Explanations of Accounting and Pro Forma Adjustments
Twelve Months Ended March 31, 2008
Docket No. 2005-125-G

Line No.	Description	Per Piedmont	Per ORS
7	<u>Federal Income Taxes</u>		
	To adjust federal income taxes (rate of 35%) to reflect the impact on income of accounting and pro forma adjustments.	\$ 982,727	\$ 1,053,612
	<u>Total Federal Income Taxes</u>	\$ 982,727	\$ 1,053,612
8	<u>Amortization of Debt Redemption Premium</u>		
	To increase net operating income for amortization of debt redemption premium.	\$ 334	\$ 334
	<u>Total Amortization of Debt Redemption Premium</u>	\$ 334	\$ 334
9	<u>Customer Growth</u>		
	To increase net operating income to reflect anticipated customer growth (rate of .542%) following the adjustments to operating revenues and expenses.	\$ 5,551	\$ 7,796
	<u>Total Customer Growth</u>	\$ 5,551	\$ 7,796
10	<u>Plant in Service</u>		
	To adjust plant in service to reflect the appropriate South Carolina allocation percentages	\$ 0	\$ (1,110,892)
	<u>Total Plant in Service</u>	\$ 0	\$ (1,110,892)
11	<u>Cash Working Capital</u>		
	To decrease cash working capital following the pro forma adjustments to operation and maintenance expenses (rate of 12.5%) as reflected in the Original Filing.	\$ (52,408)	\$ (126,591)
	<u>Total Cash Working Capital</u>	\$ (52,408)	\$ (126,591)
12	<u>Operating Revenues - Sale and Transportation of Gas</u>		
	To adjust revenues from the sale and transportation of gas for the proposed margin decrease. ORS has recalculated this adjustment utilizing all ORS adjustments to operating revenues.	\$ 1,953,502	\$ (1,530,000)
	<u>Total Operating Revenues - Sale and Transportation of Gas</u>	\$ 1,953,502	\$ (1,530,000)

Settlement Schedule 2

Piedmont Natural Gas Company
South Carolina Operations
Explanations of Accounting and Pro Forma Adjustments
Twelve Months Ended March 31, 2008
Docket No. 2005-125-G

Line No.	Description	Per Piedmont	Per ORS
13	<u>Operations and Maintenance Expenses</u>		
a.	To adjust the provision for uncollectible accounts (18482%) for the proposed margin decrease	\$ 4,563	\$ (2,828)
b.	To increase the utility license fee (rate of .3%) following the adjustment to operating revenues.	5,847	0
	<u>Total Operations and Maintenance Expenses</u>	<u>\$ 10,410</u>	<u>\$ (2,828)</u>
14	<u>General Taxes</u>		
	To adjust franchise taxes (rate of 3%) and gross receipts tax (rate of 16779%) for the proposed margin decrease.	\$ 0	\$ (7,157)
	<u>Total General Taxes</u>	<u>\$ 0</u>	<u>\$ (7,157)</u>
15	<u>State Income Taxes</u>		
	To adjust state income taxes (rate of 5%) to reflect the impact on income from the proposed margin decrease.	\$ 97,155	\$ (76,000)
	<u>Total State Income Taxes</u>	<u>\$ 97,155</u>	<u>\$ (76,000)</u>
16	<u>Federal Income Taxes</u>		
	To adjust federal income taxes (rate of 35%) to reflect the impact on income from the proposed margin decrease.	\$ 645,849	\$ (505,405)
	<u>Total Federal Income Taxes</u>	<u>\$ 645,849</u>	<u>\$ (505,405)</u>
17	<u>Customer Growth</u>		
	To adjust net operating income to reflect anticipated customer growth (rate of 54%) following the proposed margin decrease.	\$ 6,480	\$ (5,087)
	<u>Total Customer Growth</u>	<u>\$ 6,480</u>	<u>\$ (5,087)</u>
18	<u>Operating Revenues - Sale and Transportation of Gas</u>		
	To increase the revenue requirement for the sale and transportation of gas associated with demand cost under-recovery.	\$ 3,348,587	\$ 3,352,717
	<u>Total Operating Revenues - Sale and Transportation of Gas</u>	<u>\$ 3,348,587</u>	<u>\$ 3,352,717</u>

Settlement Schedule 2

Piedmont Natural Gas Company
South Carolina Operations
Explanations of Accounting and Pro Forma Adjustments
Twelve Months Ended March 31, 2008
Docket No. 2005-125-G

Line No.	Description	Per Piedmont	Per ORS
19	<u>Cost of Gas</u>		
	To increase cost of gas for the demand cost under-recovery using a demand cost allocation factor of 16.16%, based upon the most recent design day study.	\$ 3,330,837	\$ 3,330,837
	<u>Total Cost of Gas</u>	\$ 3,330,837	\$ 3,330,837
20	<u>Operations and Maintenance Expenses</u>		
a	To increase the provision for uncollectible accounts (rate of .18482%) following the adjustment to revenues for demand cost under-recovery.	\$ 7,781	\$ 6,196
b	To increase the franchise taxes (rate of .3%) following the adjustments to revenues for demand cost under-recovery	9,969	0
	<u>Total Operations and Maintenance Expenses</u>	\$ 17,750	\$ 6,196
21	<u>General Taxes</u>		
	To increase the franchise taxes (rate of .3%) and gross receipts tax (rate of .16779%) for the adjustment made to revenues for demand cost under-recovery.	\$ 0	\$ 15,684
	<u>Total General Taxes</u>	\$ 0	\$ 15,684

**PIEDMONT NATURAL GAS
PROPOSED REVENUES
2008 RSA**

Order Exhibit 2
Docket No. 2005-125-G
Order No. 2008-701
October 14, 2008

Exhibit A
Page 1 of 4

<u>(dekatherms)</u> <u>Rate Schedule</u>	<u>Proposed</u> <u>Rate</u>	<u>Proposed</u> <u>Revenue</u>
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Residential Service - Value 201

Bills - Winter	\$ 10.00	\$ 2,307,730
Bills - Summer	\$ 8.00	\$ 2,866,480
DTs - Winter	12.9490	35,234,785
DTs - Summer	12.4808	12,936,987

Residential Service - Standard 221

Bills - Winter	\$ 10.00	\$ 3,514,120
Bills - Summer	\$ 8.00	\$ 3,490,304
DTs - Winter	15.2147	47,460,948
DTs - Summer	15.3166	9,811,737

Total Residential		\$117,623,092
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**PIEDMONT NATURAL GAS
PROPOSED REVENUES
2008 RSA**

Exhibit A

Page 2 of 4

<u>(dekatherms) Rate Schedule</u>	<u>Proposed Rate</u>	<u>Proposed Revenue</u>
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Small General Service - Standard 202

Bills	\$ 22.00	2,600,312
DTs - Winter	14.2581	25,159,326
DTs - Summer	13.8548	4,849,425

Small General Service - Value 232

Bills	\$ 22.00	1,081,674
First 200	13.5635	14,727,167
<u>Over 200</u>	13.2242	3,542,133
DTs - Winter		
First 200	12.4785	12,887,205
<u>Over 200</u>	12.1682	1,491,999
DTs - Summer		

Medium General Service - Standard 252

Bills	\$ 75.00	20,175
DTs - Winter	13.9800	2,138,706
DTs - Summer	13.4591	533,641

Medium General Service - Value 262

Bills	\$ 75.00	86,850
First 500	13.1741	2,942,587
<u>Over 500</u>	12.7902	3,425,364
DTs - Winter		
First 500	12.1313	3,238,073
<u>Over 500</u>	11.8515	2,685,072
DTs - Summer		

Small General Service - Motor Fuel 242

Bills	\$ 22.00	528
DTs - Winter	11.2817	9,481
DTs - Summer	11.4275	16,457

Total Commercial

\$81,436,174

**PIEDMONT NATURAL GAS
PROPOSED REVENUES
2008 RSA**

Exhibit A

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<u>(dekatherms)</u> <u>Rate Schedule</u>	<u>Proposed</u> <u>Rate</u>	<u>Proposed</u> <u>Revenue</u>
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Large General Service - Sales 203

Bills	\$	250.00	35,250
Demand DT'S	\$	19.00	428,412
First 1,500		11.5834	955,729
Next 1,500		10.8423	508,346
Next 7,500		10.4774	257,061
Next 16,500		9.5225	-
Next 33,000		8.9693	-
<u>Over 60,000</u>		8.6836	-
DTs - Winter			
First 1,500		10.5514	978,635
Next 1,500		10.0666	342,573
Next 7,500		10.2198	60,434
Next 16,500		9.3368	-
Next 33,000		8.9193	-
<u>Over 60,000</u>		8.6836	-
DTs - Summer			

Large General Service - Transportation 213

Bills	\$	250.00	123,500
Demand DT'S	\$	6.00	505,872
Standby DT's	\$	13.00	0
First 1,500		2.6227	713,485
Next 1,500		1.9484	366,437
Next 7,500		1.4841	220,532
Next 16,500		1.0225	227
Next 33,000		0.4693	-
<u>Over 60,000</u>		0.1836	-
DTs - Winter			
First 1,500		1.9352	736,911
Next 1,500		1.4461	323,088
Next 7,500		1.1966	170,756
Next 16,500		0.8092	-
Next 33,000		0.4193	-
<u>Over 60,000</u>		0.1836	-
DTs - Summer			

**PIEDMONT NATURAL GAS
PROPOSED REVENUES
2008 RSA**

Exhibit A

Page 4 of 4

<u>(dekatherms)</u> <u>Rate Schedule</u>	<u>Proposed</u> <u>Rate</u>	<u>Proposed</u> <u>Revenue</u>
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Interruptible Service - Sales 204

Bills	\$	250.00	60,750
First 1,500		12.5112	1,570,248
Next 1,500		11.8066	1,046,667
Next 7,500		11.3173	1,553,002
Next 16,500		11.6055	135,127
Next 33,000		9.9537	-
<u>Over 60,000</u>		9.0836	-
DTs - Winter			
First 1,500		10.7274	1,854,327
Next 1,500		10.2364	1,104,941
Next 7,500		9.9703	1,309,289
Next 16,500		9.6635	260,943
Next 33,000		9.0693	-
<u>Over 60,000</u>		8.7836	-
DTs - Summer			

Interruptible Service - Transportation 214

Bills	\$	250.00	162,750
First 1,500		2.6101	1,010,715
Next 1,500		1.9337	614,557
Next 7,500		1.4413	978,724
Next 16,500		0.9540	259,261
Next 33,000		0.4805	13,437
<u>Over 60,000</u>		0.1836	-
DTs - Winter			
First 1,500		1.9182	1,020,277
Next 1,500		1.4161	578,324
Next 7,500		1.1008	862,539
Next 16,500		0.7854	212,457
Next 33,000		0.6228	-
<u>Over 60,000</u>		0.1836	-
DTs - Summer			

Total Industrial **\$21,335,583**

Outdoor Gaslight Service - Rate 205

Fixtures	15.00	720
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Annual Revenues From Special Contracts **3,744,363**

ANNUAL TOTAL **\$224,139,932**